

Easing Tensions, Rebuilding Domestic Confidence

18 June 2026

KBVS Economist Team

EXECUTIVE SUMMARY

- **US–Iran Framework (15 Jun '26) & Lebanon Wildcard:** The tentative ceasefire — scheduled for a 19 Jun '26 formal signing in Geneva— triggered a sharp drop in Brent crude to USD 83.17/bbl (-4.76%) on expectations of a Hormuz reopening within 30 days. However, the deal remains highly fragile, threatened by a pending 60-day nuclear negotiation window and Israel's continued operations in Lebanon (highlighted by the 14 Jun '26 Beirut strike), which creates a structural decoupling and gives Iran justification to exit the MoU.
- **The Gold "Haven-Paradox" (USD 4,351.60/oz):** Defying standard geopolitical de-escalation logic, gold advanced as markets repriced the asset from a "haven trade" to a "rates trade." Plunging oil prices ease energy inflation, widening the Fed's room for monetary easing (FOMC June), which depresses UST yields and the DXY. This is structurally reinforced by sustained Central Bank physical repatriation, locking a firm price floor above USD 4,300/oz.
- **MBG Budget Optimization (10 Jun '26):** Badan Gizi Nasional announced a massive rationalization of the Makan Bergizi Gratis program, targeting IDR40 tn to IDR67 tn in annual State Budget savings. Aligned with the Ministry of Finance to preserve fiscal space, this aggressive pivot toward budget discipline serves as a strong positive signal to foreign investors, potentially reducing the sovereign risk premium embedded in IndoGB (SUN) pricing.
- **Massive BUMN Consolidation (13 Jun '26):** Danantara unveiled a sweeping plan to slash the number of state-owned enterprises from 1,077 to 200–300, targeting IDR50 tn in direct savings by cutting chronic loss-makers. If executed credibly through 2H26 despite political and labor pressures, this restructuring will significantly compress the government's contingent liabilities, enhance SOE profitability, and position Indonesia favorably to capture foreign portfolio inflows.

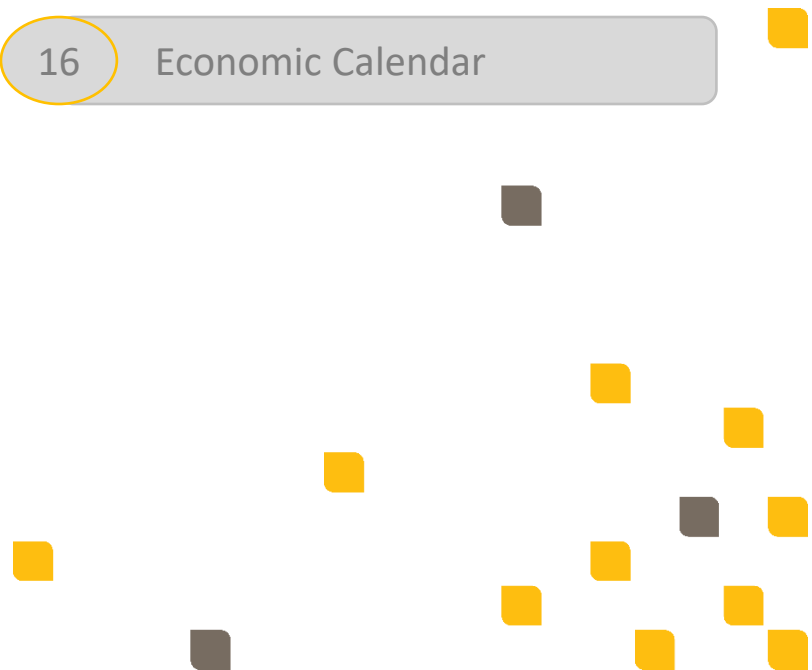


Source: <https://fundstech.com/asian-investors-more-confident-than-global-peers-on-long-term-objectives/> (2026)



TABLE OF CONTENTS :

3	Global Economy
9	Domestic Economy
16	Economic Calendar



US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	May '26	3,75	3,75
Economic Growth	%, yoy	1Q26	2,7	2
Inflation Rate	%, yoy	May '26	4,2	3,8
Unemployment Rate	%	May '26	4,3	4,3

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 11-17 Jun '26 are as follows:

- US Initial Jobless Claims increased to 229K (Cons: 220K, Prev: 225K).
- US 10-Year Note Auction increased to 4.54% (Prev: 4.47%).
- US PPI in May '26 stable at 1.10% MoM (Cons: 0.70% MoM, Prev: 1.10% MoM).
- US Federal Budget Balance in May '26 decreased to -293.00B (Cons: -282.90B, Prev: 215.00B).
- US Michigan Consumer Expectations in Jun '26 increased to 49.30 (Cons: 44.30, Prev: 44.10).
- US Michigan Consumer Sentiment in Jun '26 increased to 48.90 (Cons: 46.10, Prev: 44.80).
- US Industrial Production in May '26 decreased to 0.10% MoM (Cons: 0.30% MoM, Prev: 0.90% MoM).
- US Industrial Production in May '26 decreased to 0.10% MoM (Cons: 0.30% MoM, Prev: 0.90% MoM).
- US ADP Employment Change Weekly decreased to 25.50K (Prev: 29.00K).
- US Import Price Index in May '26 decreased to 1.90% MoM (Cons: 0.90% MoM, Prev: 2.00% MoM).
- US Export Price Index in May '26 decreased to 1.30% MoM (Cons: 1.20% MoM, Prev: 3.50% MoM).
- US Housing Starts in May '26 decreased to -15.40% MoM (Prev: -8.50% MoM).
- US Building Permits in May '26 decreased to 1.413M (Cons: 1.420M, Prev: 1.423M).
- US API Weekly Crude Oil Stock increased to -8.330M (Cons: -4.500M, Prev: -9.119M).

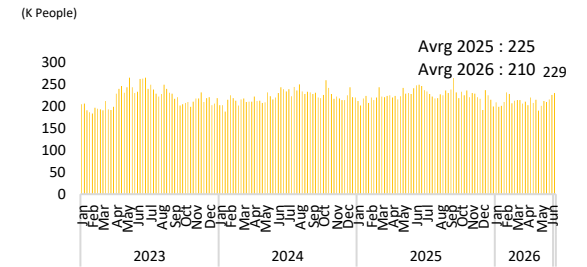
ECONOMIC CALENDAR

(11-17 JUN '26)

Event	Actual	Forecast	Previous
Thursday, 11 Jun '26			
US 10-Year Note Auction	4,54%		4,47%
US Federal Budget Balance (May)	-239.00B	-282.90B	215.00B
US OPEC Monthly Report			
US PPI (MoM) (May)	1,10%	0,70%	1,10%
US Core PPI (MoM) (May)	0,40%	0,50%	0,70%
US Initial Jobless Claims	229K	220K	225K
US Continuing Jobless Claims	1,795K	1,780K	1,771K
US WASDE Report			
Thursday, 12 Jun '26			
US Fed's Balance Sheet	6,725B		6,711B
US Michigan 1-Year Inflation Expectations (Jun)	4,60%	4,90%	4,80%
US Michigan 5-Year Inflation Expectations (Jun)	3,40%	3,80%	3,90%
US Michigan Consumer Expectations (Jun)	49,30	44,30	44,10
US Michigan Consumer Sentiment (Jun)	48,90	46,10	44,80
Monday, 15 Jun '26			
US NY Empire State Manufacturing Index (Jun)	5,70	13,20	19,60
US Industrial Production (YoY) (May)	1,67%		1,37%
US Industrial Production (MoM) (May)	0,10%	0,30%	0,90%
Tuesday, 16 Jun '26			
US ADP Employment Change Weekly	25.50K		29.00K
US Import Price Index (MoM) (May)	1,90%	0,90%	2,00%
US Export Price Index (MoM) (May)	1,30%	1,20%	3,50%
US Housing Starts (May)	1.177M	1.430M	1.392M
US Housing Starts (MoM) (May)	-15,40%		-8,50%
US Building Permits (May)	1.413M	1.420M	1.423M
Wednesday, 17 Jun '26			
US 20-Year Bond Auction	4,93%		5,12%
US API Weekly Crude Oil Stock	-8.330M	-4.500M	-9.119M
US IEA Monthly Report			
US Retail Sales (MoM) (May)		0,50%	0,50%
US Core Retail Sales (MoM) (May)		0,60%	0,70%
US Retail Control (MoM) (May)		0,40%	0,50%
US President Trump Speaks			
US Retail Inventories Ex Auto (Apr)		0,60%	0,40%
US Pending Home Sales (MoM) (May)		0,80%	1,40%
US Business Inventories (MoM) (Apr)		0,50%	0,90%
US Crude Oil Inventories	-4.500M		-7.227M
US Cushing Crude Oil Inventories			-0.801M

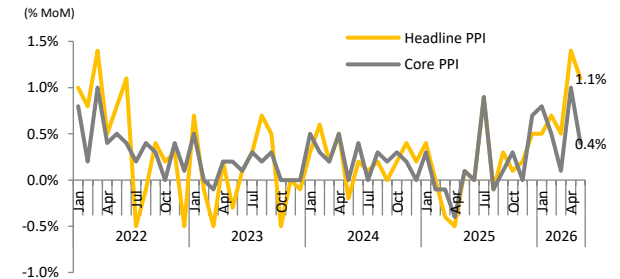
Sources : investing, KBVS Research (2026)

WEEKLY INITIAL JOBLESS CLAIMS



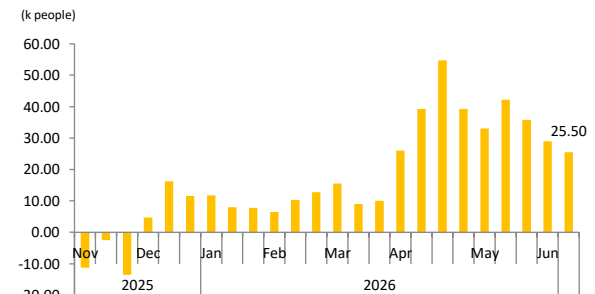
Sources : US DoL, KBVS Research (2026)

PPI



Sources : US DoL, KBVS Research (2026)

ADP EMPLOYMENT CHANGE



Sources : US ADP, KBVS Research (2026)

US-IRAN FRAMEWORK AGREEMENT & THE GOLD “HAVEN-PARADOX”

US-Iran Memorandum of Understanding

- 15 Jun '26: the **US – Iran announced a preliminary framework agreement** to end the ceasefire, with a formal signing on Friday, 19 Jun '26 in Geneva, Switzerland.
- Preliminary reports indicate the framework may include **sanctions relief** for Iranian energy exports, **restrictions on Iran’s nuclear activities**, and the gradual **reopening of the Strait of Hormuz**.

Market Reaction

- BRENT Crude Oil** declined to **USD83.17/bbl (-4.76%)**.
- European Natural Gas** prices fell sharply to **EUR42.5/MWh (-9.1%)**.
- US Treasury yields** declined across the curve as markets repriced inflation & monetary policy expectations: UST2Y fell to 4.05% (-3bps); UST10Y fell to 4.5% (-2bps); UST30Y fell to 4.9% (-1bps).
- The DXY Index** weakened to **99.48 (-0.32%)**, reflecting reduced safe-haven demand and improving global risk sentiment.

Lebanon: Structural Wildcard

- 14 Jun '26: **Israel struck Beirut (Lebanon)**, 3 killed & 7 wounded – hours before anticipated deal signing.
- Israeli officials reiterated plans **to maintain military operations in southern Lebanon**, signaling that Israel may not consider itself bound by the proposed US-Iran framework.
- Israel explicitly stated it’s **NOT** a party to the US-Iran deal.
- Meanwhile, Iran continued to view developments in Lebanon as a critical component of broader **regional de-escalation** efforts.
- The differing positions between Washington, Tehran, and Tel Aviv highlight a key implementation **challenge** and may **complicate** efforts to sustain the proposed agreement.

Gold: Haven-Paradox

Why Gold Remains Increase while Geopolitical Tensions Subside?

Gold Price
USD4,351.60/oz
+0.86%
(15 Jan '26)

The Gold “Haven-Paradox”

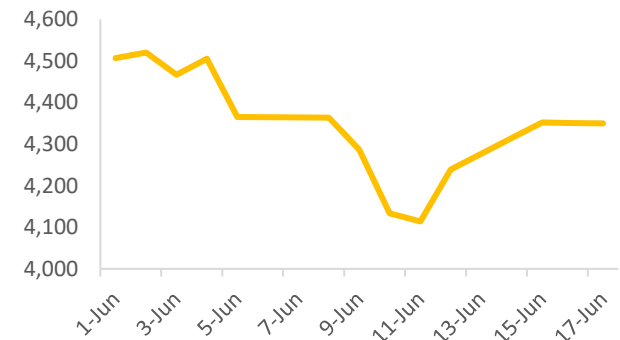
Structural CB Demand & Gold Repatriation

- Gold rose despite geopolitical de-escalation, contrary to the traditional safe-haven relationship. This suggests that investors are **increasingly shifting** their focus from geopolitical risks **to monetary policy expectations**, as lower inflationary pressures improve the prospects for future Fed rate cuts.
- According to World Gold Council (WGC) surveys, CB continue to increase gold allocations (demand) as part of **broader reserve diversification strategies** and **efforts to reduce dependence on USD-denominated assets**.
- Several CB have also accelerated gold **repatriation programs**, reflecting a preference for **holding strategic reserves domestically** amid heightened geopolitical uncertainty.
- As CB repatriate and accumulate gold reserves, less physical gold remains available in global markets, helping sustain elevated prices.

Outlook

Issue	View & Impact
60-Day Nuclear Window	Monitor the finalization of IAEA inspections. Negotiation failure triggers the risk of escalation again.
Lebanon Conflict	Primary deal-breaker. IDF escalation gives Iran justification to exit the MoU.
Oil Prices	Base case USD80-85/bbl. The opening of Hormuz has the potential to push prices to USD 75–78/bbl.
Gold	Floor price >USD4,300/oz is structural. Signals of interest rate cuts are a catalyst for further upside.

US Gold Price (USD/oz)



FOMC'S 17 JUN '26 DECISION

Decisions Regarding Monetary Policy Implementation

The Federal Reserve has made the following decisions to implement the monetary policy stance announced by the Federal Open Market Committee in its [statement](#) on June 17, 2026:

- The Board of Governors of the Federal Reserve System voted unanimously to maintain the interest rate paid on reserve balances at 3.65 percent, effective June 18, 2026.
- As part of its policy decision, the Federal Open Market Committee voted to direct the Open Market Desk at the Federal Reserve Bank of New York, until instructed otherwise, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

"Effective June 18, 2026, the Federal Open Market Committee directs the Desk to:

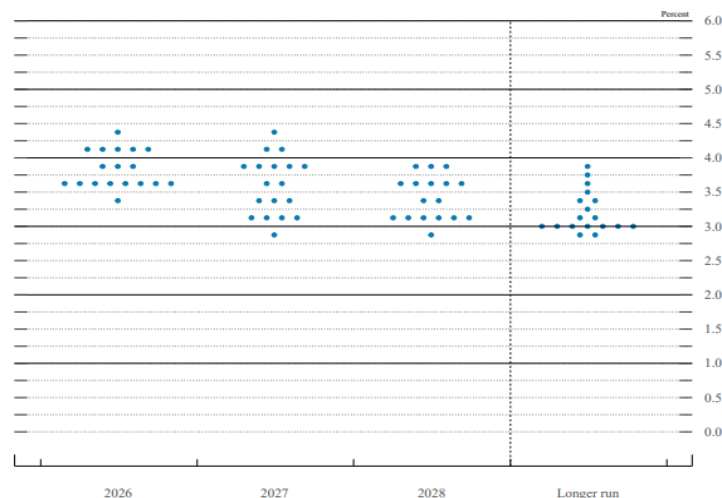
- o Undertake open market operations as necessary to maintain the federal funds rate in a target range of 3-1/2 to 3-3/4 percent.
 - o Conduct standing overnight repurchase agreement operations at a rate of 3.75 percent.
 - o Conduct standing overnight reverse repurchase agreement operations at an offering rate of 3.5 percent and with a per-counterparty limit of \$160 billion per day.
 - o When appropriate, increase the System Open Market Account holdings of securities through purchases of Treasury bills and, if needed, other Treasury securities with remaining maturities of 3 years or less to maintain an ample level of reserves.
 - o Roll over at auction all principal payments from the Federal Reserve's holdings of Treasury securities. Reinvest all principal payments from the Federal Reserve's holdings of agency securities into Treasury bills."
- In a related action, the Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 3.75 percent.

This information will be updated as appropriate to reflect decisions of the Federal Open Market Committee or the Board of Governors regarding details of the Federal Reserve's operational tools and approach used to implement monetary policy.

More information regarding open market operations and reinvestments may be found on the Federal Reserve Bank of New York's [website](#).

FED Dot Plot

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



FED Economic Projections

Variable	Median ¹				Central Tendency ²				Range ³			
	2026	2027	2028	Longer run	2026	2027	2028	Longer run	2026	2027	2028	Longer run
Change in real GDP	2.2	2.3	2.2	2.0	2.0-2.3	2.0-2.4	2.0-2.3	1.8-2.0	1.8-2.6	1.9-2.9	1.8-2.6	1.7-2.5
March projection	2.4	2.3	2.1	2.0	2.2-2.5	2.0-2.4	2.0-2.3	1.8-2.0	2.1-2.7	2.0-2.7	1.8-2.7	1.7-2.5
Unemployment rate	4.3	4.3	4.2	4.2	4.3-4.4	4.2-4.5	4.1-4.3	4.0-4.3	4.3-4.6	4.0-4.6	4.0-4.4	3.8-4.5
March projection	4.4	4.3	4.2	4.2	4.3-4.5	4.2-4.4	4.0-4.4	4.0-4.3	4.3-4.6	4.0-4.5	4.0-4.5	3.8-4.5
PCE inflation	3.6	2.3	2.0	2.0	3.5-3.7	2.2-2.5	2.0-2.1	2.0	2.7-4.1	1.9-2.8	2.0-2.3	2.0
March projection	2.7	2.2	2.0	2.0	2.6-3.1	2.0-2.3	2.0	2.0	2.3-3.3	1.8-2.4	1.9-2.2	2.0
Core PCE inflation ⁴	3.3	2.5	2.1		3.2-3.5	2.3-2.6	2.0-2.2		2.6-3.5	2.0-3.0	2.0-2.4	
March projection	2.7	2.2	2.0		2.5-2.8	2.0-2.4	2.0		2.2-3.0	2.0-2.5	2.0-2.2	
Memo: Projected appropriate policy path												
Federal funds rate	3.8	3.6	3.4	3.1	3.6-4.1	3.1-3.9	3.1-3.6	3.0-3.5	3.4-4.4	2.9-4.4	2.9-3.9	2.9-3.9
March projection	3.4	3.1	3.1	3.1	3.1-3.6	2.9-3.6	2.9-3.6	2.9-3.5	2.6-3.6	2.4-3.9	2.6-3.9	2.6-3.9

FED PROBABILITIES

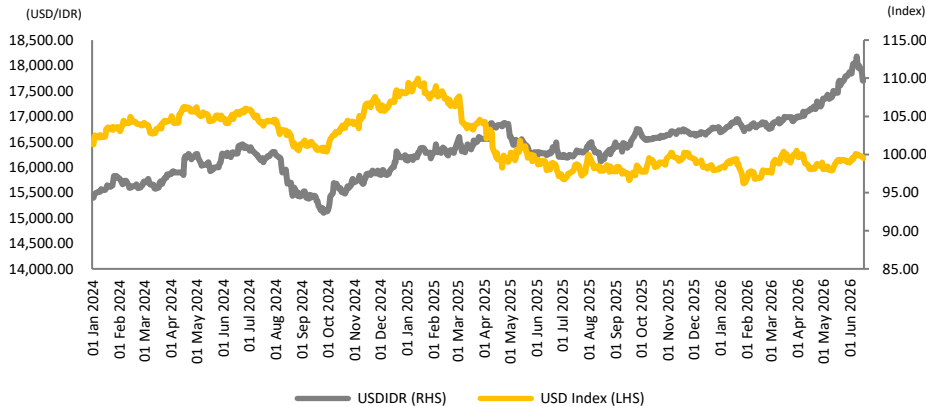
FED PROBABILITIES, as of 17 Jun '26

MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475
17-Jun-26	0,0%	99,6%	0,4%	0,0%	0,0%	0,0%
29-Jul-26	0,0%	91,0%	8,9%	0,0%	0,0%	0,0%
16-Sep-26	0,0%	71,2%	26,8%	2,0%	0,0%	0,0%
28-Oct-26	0,0%	62,5%	32,2%	5,0%	0,2%	0,0%
09-Dec-26	0,0%	40,9%	42,7%	14,4%	1,9%	0,1%
27-Jan-27	0,0%	36,2%	42,5%	17,7%	3,3%	0,3%
17-Mar-27	0,0%	29,8%	41,4%	22,1%	5,9%	0,8%
28-Apr-27	0,0%	28,5%	40,9%	22,9%	6,6%	1,0%

Sources : CME Group, and KBVS Research (2026)

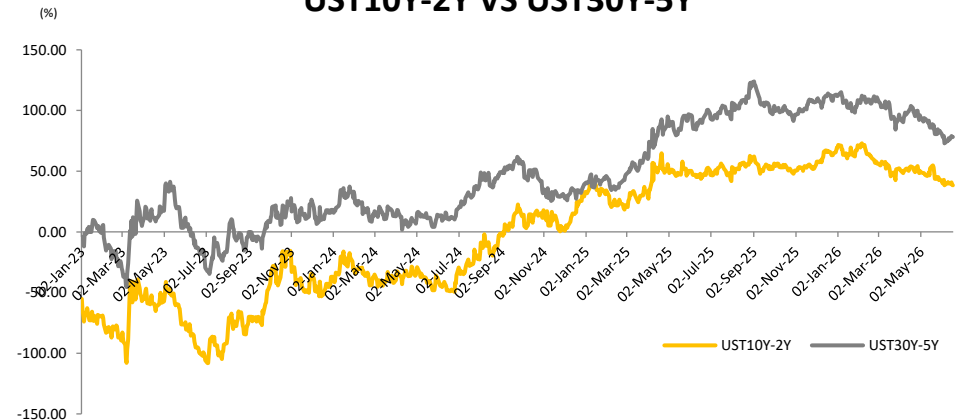
- As of 17 Jun '26 Fed Probabilities, markets have fully priced in a June hold at 350–375bps (99.6%), while continuing to expect a **higher-for-longer** policy path, with rate hike expectations re-emerging toward end-2026.
- With the DXY Index extending its pullback to **99.54**, the USD/IDR experienced a notable relief rally, appreciating sharply to **IDR 17,703/USD**. This marks a significant retreat from the psychological 18,000 level, indicating that the easing of broad dollar strength—coupled with the recent geopolitical de-escalation—is effectively alleviating the prolonged pressure on the local currency.
- In the U.S. Treasury market, the yield curve presents a divergent structural shift. The 10Y-2Y spread compressed slightly further to **38.78bps**, reinforcing that short-end yields remain rigidly anchored by the Fed's anticipated "**hawkish hold**." Conversely, the 30Y-5Y spread steepened to **78.00bps**, suggesting that investors are demanding higher term premiums to hedge against structural inflation risks and the projected rate shift heading into late 2026.

DXY INDEX - USDIDR



Sources : Bloomberg, and KBVS Research (2026)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2026)

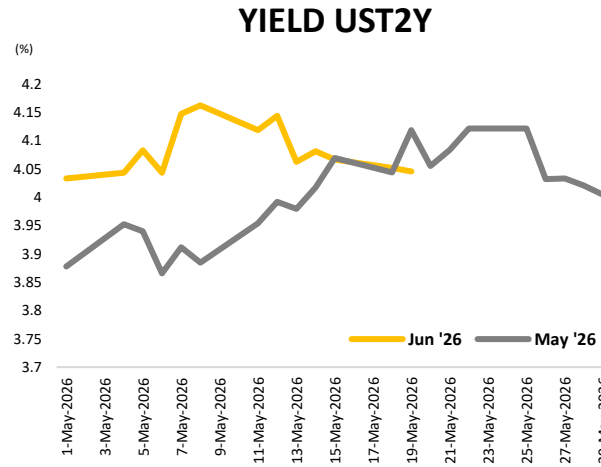
THE MOVEMENT OF UST YIELDS

US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Nov' 24	36.08	35.95
Govt Debt to GDP	%	4Q24	124.35	122.3
Govt Budget	USD Bn	Nov '24	-367.30	-257.00
S&P Credit Rating	Rating	27-Mar-24	AA+	AA+

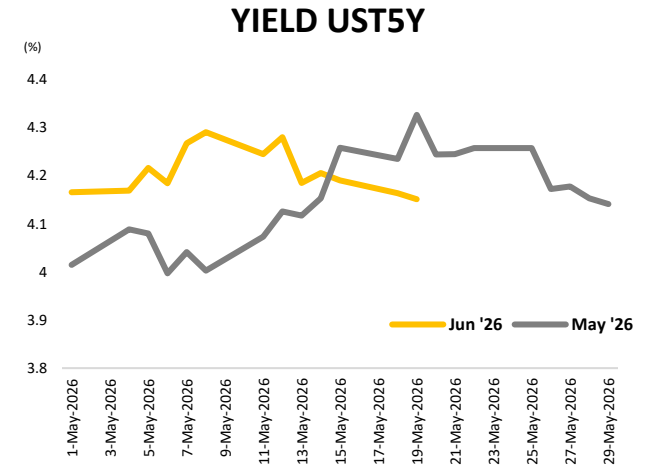
Sources : US Treasury, KBVS Research (2026)

Over the past week, UST yields moved tends to decrease:

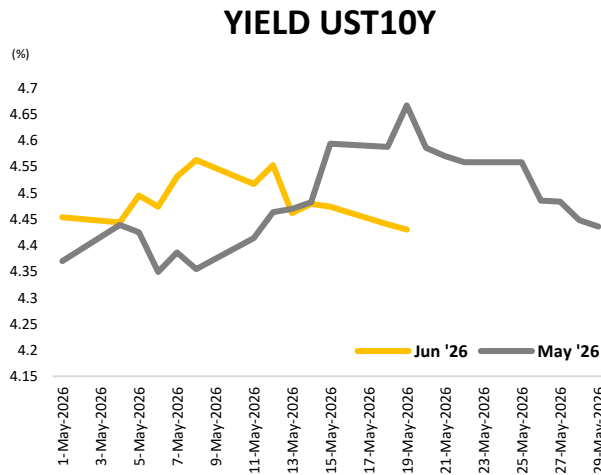
- Yield UST6M
 - -1.60 bps (WoW)
 - +19.27 bps (YtD, as of Jun 17,'26)
- Yield UST1Y
 - -6.99 bps (WoW)
 - +35.51 bps (YtD, as of Jun 17,'26)
- Yield UST2Y
 - -9.59 bps (WoW)
 - +57.44 bps (YtD, as of Jun 17,'26)
- Yield UST5Y
 - -12.17 bps (WoW)
 - +43.29 bps (YtD, as of Jun 17,'26)
- Yield UST10Y
 - -11.68 bps (WoW)
 - +26.85 bps (YtD, as of Jun 17,'26)
- Yield UST30Y
 - -9.18 bps (WoW)
 - +9.38 bps (YtD, as of Jun 17,'26)



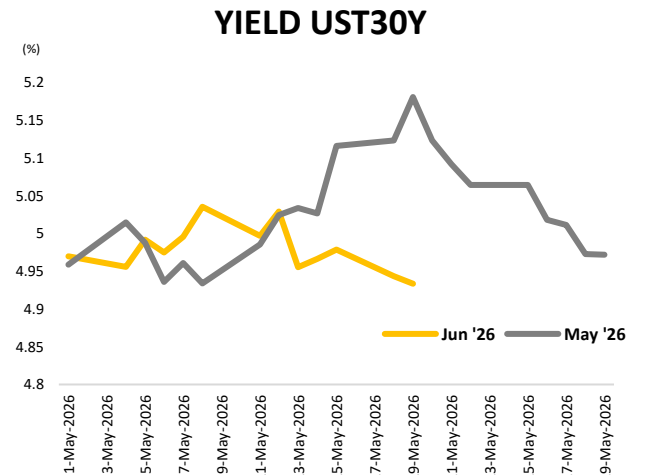
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)

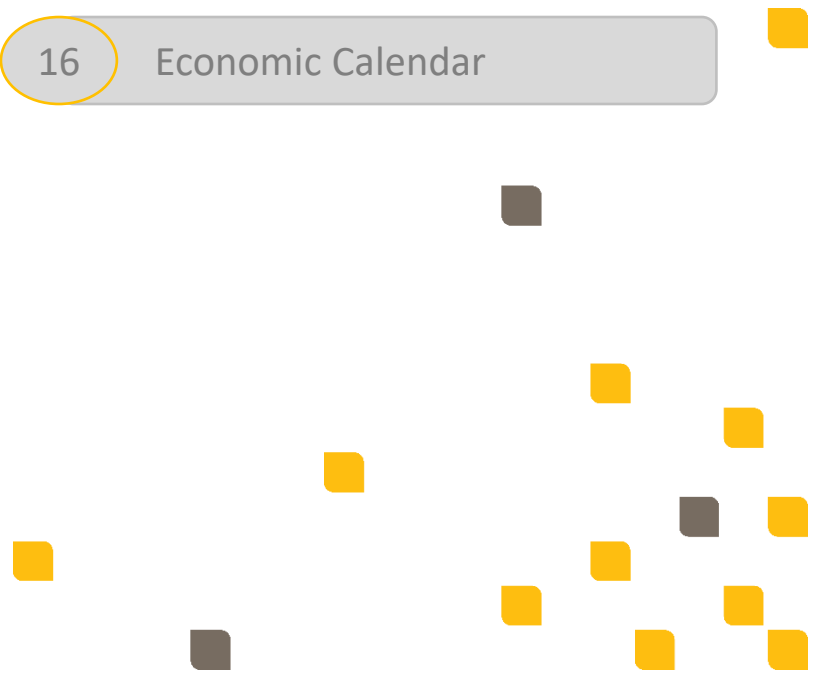


TABLE OF CONTENTS :

3 Global Economy

9 Domestic Economy

16 Economic Calendar



INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	9 Jun '26	5,50	5,25
Economic Growth	%, yoy	1Q26	5,61	5,39
Inflation Rate	%, yoy	May '26	3,08	2,42
Unemployment Rate	%	Mar '26	4,68	4,85
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2026)

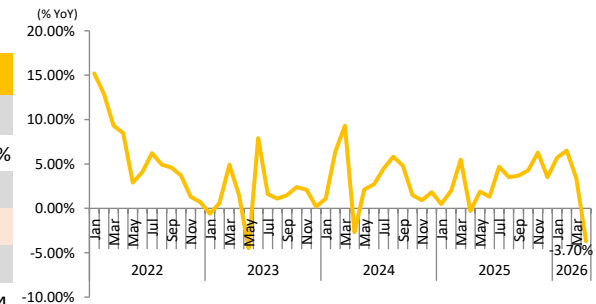
ECONOMIC CALENDAR

(11-17 JUN '26)

Event	Actual	Forecast	Previous
Thursday, 11 Jun '26			
ID Retail Sales (YoY) (Apr)	-3,70%		3,40%
Friday, 12 Jun '26			
Monday, 15 Jun '26			
External Debt (bn USD) (Apr)	439.77		433.94
Government External Debt (bn USD) (Apr)	216.42		214.67
External Debt-to-GDP Ratio (% to GDP) (Apr)	29.55		29.95
Tuesday, 16 Jun '26			
Wednesday, 17 Jun '26			

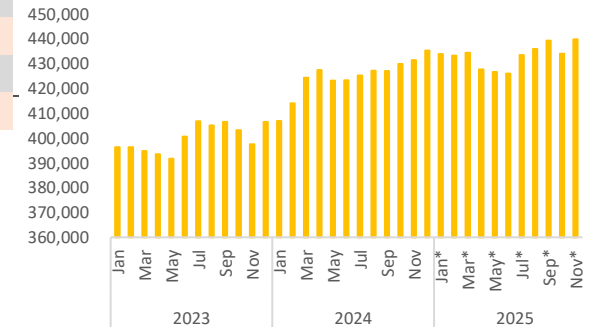
Sources : Investing, KBVS Research (2026)

RETAIL SALES



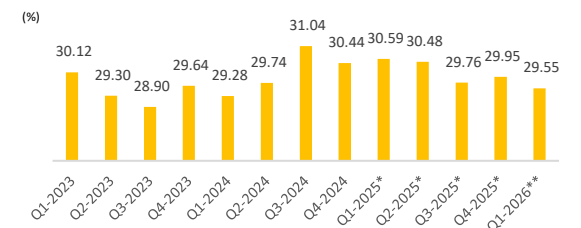
Sources : BI, KBVS Research (2026)

EXTERNAL DEBT



Sources : BI, KBVS Research (2026)

EXTERNAL DEBT TO GDP RATIO



Sources : BI, KBVS Research (2026)

The data releases that influenced yield movements in the week of 11-17 Jun '26 are as follows:

- ID Retail Sales in Apr '26 decreased to -3.70% YoY (Prev : 3.40% YoY).
- Indonesia's External Debt (ED) stood at USD439.8 bn as of Apr '26, representing growth of 1.9% (YoY). This development was primarily driven by government external debt, which reached USD216.4 bn (or 3.7% YoY), meanwhile, private-sector external debt amounted to USD193.2 bn (or -0.7% YoY).
- Furthermore, Indonesia's external debt-to-GDP ratio remained stable at 29.6% in Apr '26, reflecting a manageable level of external leverage. The debt structure also remained sound, with long-term external debt accounting for 84.5% of total external debt.

GOVERNMENT ENHANCES STRATEGIC RESOURCE MANAGEMENT

MBG EFFICIENCY RESTRUCTURING

On 10 Jun '26, **Dudung Abdurachman, head of the Badan Gizi Nasional, announced plans to optimize budget and increase efficiency of MBG program** for fiscal sustainability. The MBG program has faced issues regarding delays in operational funding which has disrupted services for many kitchens throughout the nation. Minister of Finance Purbaya Yudhi Sadewa agreed to follow suit with the plan and estimates that it can save around IDR40.0 tn of the state budget yearly

Impact on Indonesia

- **Fiscal Sustainability:** Lower budget allocation reserves fiscal space for other programs to support socioeconomic priorities. There is of the fiscal burden that was associated with long-term, high-cost government initiatives.
- **Social Impact:** Budget restructuring has resulted in temporarily halted kitchen operations and delayed program expansion. Although, efficient implementation can mean improved program execution. However, if not done well, social welfare is risked due to a lower quality product.
- **Agriculture & Supply Chain:** In the short term, the reduced demand for kitchen workers and supply chains may impact employment and output in local economies. Successful budget optimization may further promote the demand of local produce by reducing losses from more efficient procurement of agricultural goods. However, suppliers may face temporary uncertainties if quantity demanded is being adjusted.
- **Policy & Governance:** Public sentiment may grow as the government is taking accountability for their own flagship programs. Positive reception may be due to the government's clear intent for stronger oversight and regulation; however, execution risks still remain.

Implications on Financial Markets

Market Sentiment

Market sentiment may grow if this restructuring is viewed as more prudent and stronger fiscal discipline.

SUN

Investor confidence may increase due to the higher fiscal sustainability. Sovereign risk premiums may reduce if investors react accordingly

Rupiah Stability

Better fiscal management can increase foreign investor confidence, support the rupiah, and stimulate foreign portfolio inflows.

DANANTARA DOWNSIZING BUMN

On 13 Jun '26, **Danantara announced the downsizing of BUMN** (State-owned enterprises), which can directly save IDR50.0 tn as a result of consolidation. This would involve merging subsidiaries to streamline 1077 BUMN, to only 200-300 firms. This is because among these 1077 BUMN, 52% suffer from losses valued at over IDR20.0 tn. Existing successful downsizing efforts include that of Pertamina and its subsidiaries, resulting in a gain of approximately USD600.0 mn to USD700.0 mn.

Impact on Indonesia

- **Labor Market:** Mergers may cause higher structural unemployment due to layoffs. This can reduce household income for displaced workers which may call a fall in consumer spending in the economy. In the long term, it may allocate workers into more productive positions in growing industries, promoting efficiency in the state-owned enterprises.
- **Fiscal Impact:** Lower operation and administrative costs can be achieved due to less internal diseconomies of scale. This can reduce government spending in aid for unproductive firms. Although, it may lower income and corporation tax revenue in the short run; however, in the long run productive firms gain more taxable profits for the government to collect and reinvest in socially beneficial industries.
- **Investment Climate:** Well-executed restructuring may increase investor confidence due to improved corporate governance, transparency and accountability. Increased efficiency in SOEs could also reduce their reliance on government support, promoting confidence in Indonesia's economic management. Furthermore, the lower costs can help Indonesian firms be more internationally competitive, encouraging foreign investment.

Implications on Financial Markets

Investment Confidence

Successful restructuring can increase foreign investor confidence and it reinforces SOE efficiency and policy credibility.

Equity Market

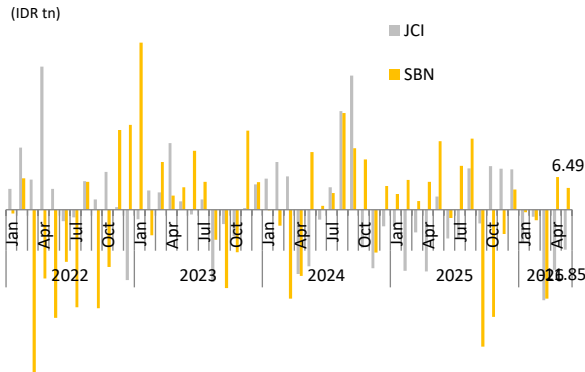
The increased profitability of SOEs, caused by streamlined operations and efficient allocation of resources, can improve their equity valuation.

SUN & Rupiah

Lower fiscal pressures and improved asset management can attract capital inflows, supporting the rupiah and government bonds.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



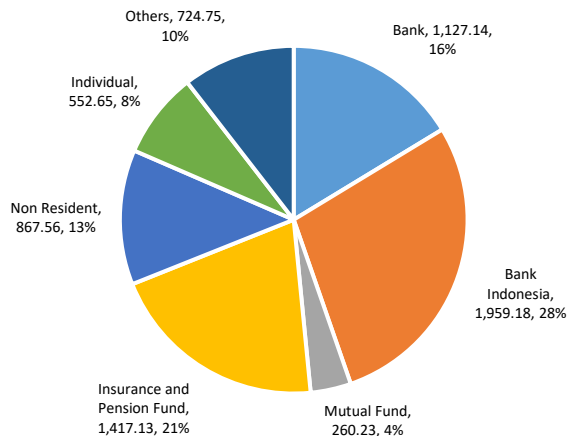
Sources : Bloomberg, KBVS Research (2026)

Between 11-17 Jun '26, non-residents conducted:

- A net sell of tradeable SBN, amounting IDR1.33 tn.
- A net sell of JCI, amounting IDR0.28 tn.

OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2026)

As of 12 Jun '26, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,959.18 tn (+IDR124.86 tn, WoW),
- Banks : IDR1,127.14 tn (-IDR118.31 tn, WoW), and
- Insurance & Pension Funds: IDR1,417.13 tn (+IDR15.22 tn, WoW)

SUN LATEST AUCTION

9 Jun '26										
Instruments	SPN01260711	SPN12260910	SPN12270610	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1,15	3,03	6,36	15,29	8,45	2,36	3,92	3,77	2,37	46,70
Bid to Cover Ratio	1,15	1,21	1,27	2,20	4,69	1,57	1,31	1,26	1,48	1,77
Weighted Average Yields Awarded	6,650%	6,880%	7,299%	7,400%	7,400%	7,410%	7,390%	7,380%	7,390%	
26 May '26										
Instruments	SPN12260702	SPN03260831	SPN12270517	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1,31	1,72	4,67	20,20	8,49	6,14	5,94	4,67	4,18	57,30
Bid to Cover Ratio	-	1,72	1,26	1,40	2,69	1,23	1,70	1,15	2,09	1,56
Weighted Average Yields Awarded	-	5,900%	6,500%	6,670%	6,700%	6,860%	6,869%	6,970%	6,980%	

Sources : DJPPR, KBVS Research (2026)

SBSN LATEST AUCTION

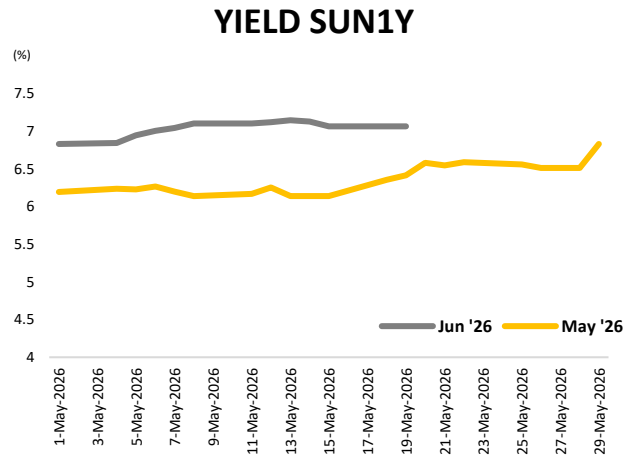
2 Jun '26									
Instruments	SPNS13072026	SPNS23112026	SPNS01032027	PBS030	PBS040	PBS034	PBS005	PBS038	Total
Incoming Bids (IDR tn)	2,10	2,71	5,34	5,15	2,29	2,57	2,48	3,41	26,05
Bid to Cover Ratio	2,10	1,06	1,33	17,18	11,46	5,14	24,77	17,04	2,94
Weighted Average Yields Awarded	6,200%	6,400%	6,680%	6,886%	6,697%	6,849%	6,795%	6,908%	
19 May '26									
Instruments	SPNS13072026	SPNS23112026	SPNS03022027	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	0,93	1,59	4,50	3,66	1,18	1,59	0,64	4,70	18,80
Bid to Cover Ratio	1,86	1,06	1,84	2,93	2,37	2,12	1,07	1,06	1,57
Weighted Average Yields Awarded	5,750%	5,850%	6,100%	6,540%	2,370%	6,749%	6,810%	6,870%	

Sources : DJPPR, KBVS Research (2026)

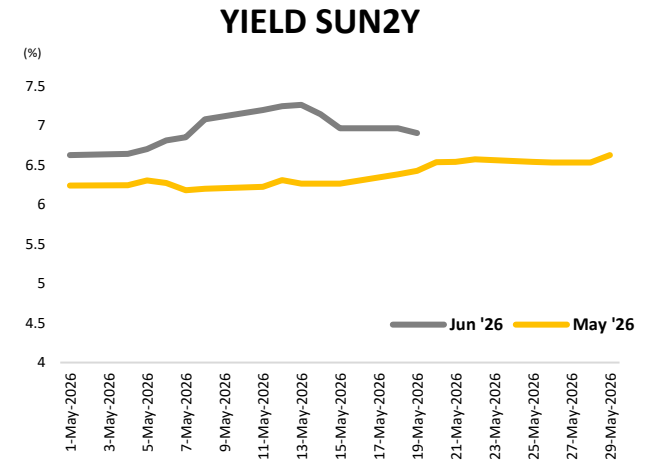
THE MOVEMENT OF SUN YIELDS

Over the past week, SUN yields moved tends to decrease:

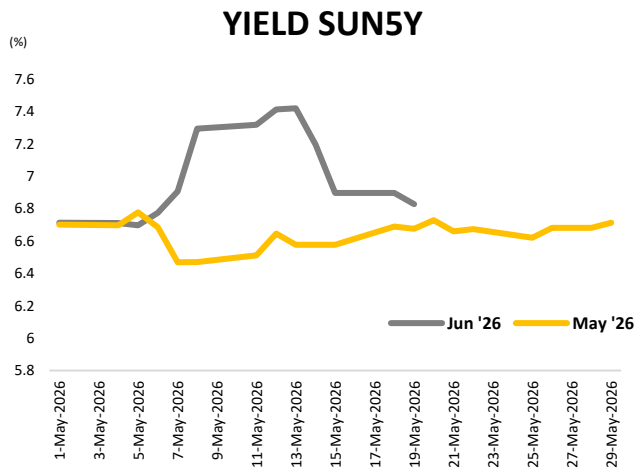
- Yield SUN1Y
 - -5.60 bps (WoW)
 - +242.30 bps (YtD, as of Jun 17, '26)
- Yield SUN2Y
 - -32.50 bps (WoW)
 - +202.60 bps (YtD, as of Jun 17, '26)
- Yield SUN5Y
 - -56.30 bps (WoW)
 - +133.20 bps (YtD, as of Jun 17, '26)
- Yield SUN10Y
 - -44.20 bps (WoW)
 - +82.10 bps (YtD, as of Jun 17, '26)
- Yield SUN30Y
 - +3.40 bps (WoW)
 - +71.30 bps (YtD, as of Jun 17, '26)



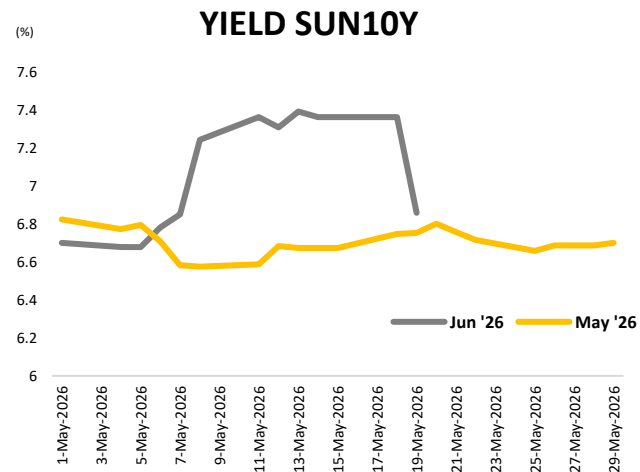
Sources : Bloomberg, KBVS Research (2026)



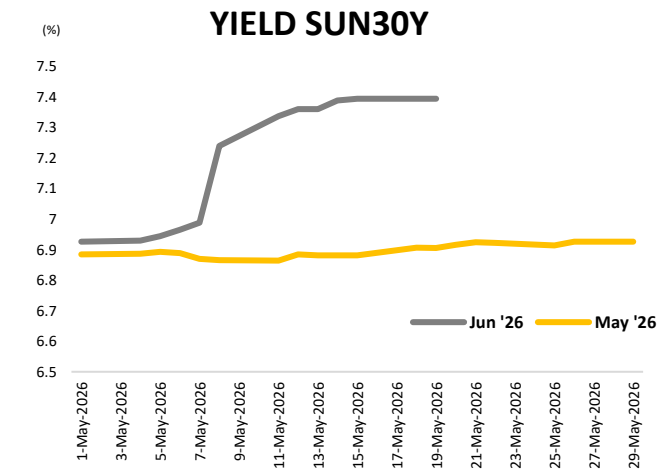
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



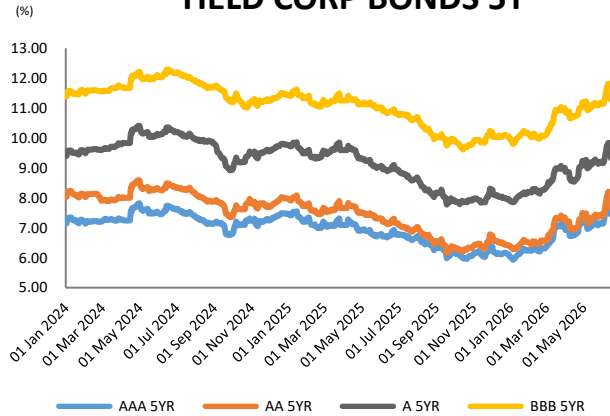
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)

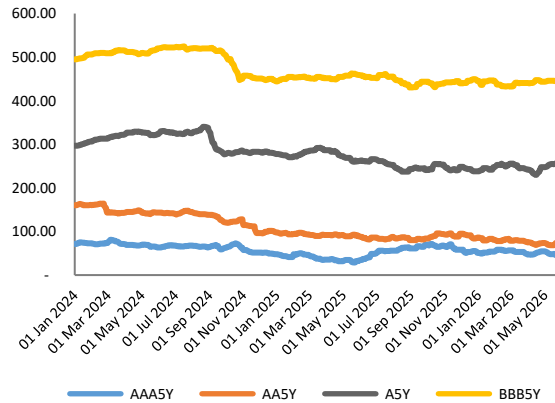
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

YIELD SPREAD 5Y TENOR

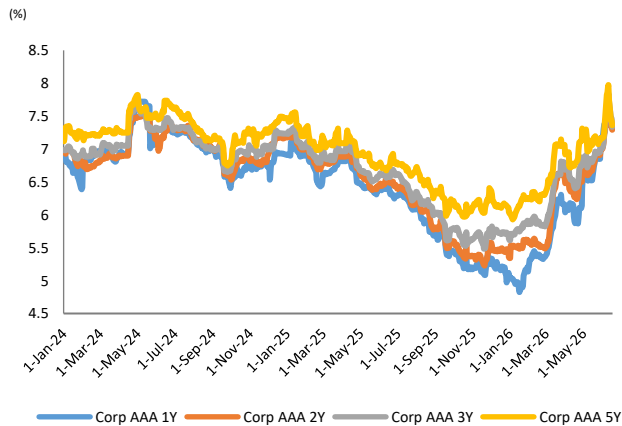


Sources : Bloomberg, KBVS Research (2026)

Corporate bond yields showed a decline movement on most of the tenors last week, as follows:

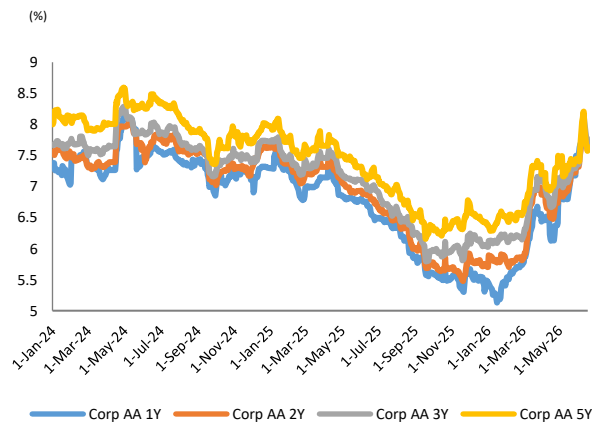
- AAA-rated
 - Tenor 1Y : -1.46 bps (WoW)
 - Tenor 2Y : -36.77 bps (WoW)
 - Tenor 5Y : -57.43 bps (WoW)
- AA-rated
 - Tenor 1Y : -10.04 bps (WoW)
 - Tenor 2Y : -36.69 bps (WoW)
 - Tenor 5Y : -60.16 bps (WoW)
- A-rated
 - Tenor 1Y : -4.12 bps (WoW)
 - Tenor 2Y : -30.22 bps (WoW), and
 - Tenor 5Y : -54.02 bps (WoW)

YIELD AAA-RATED



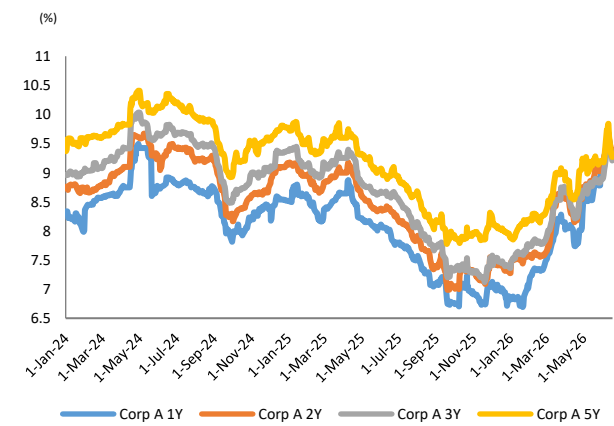
Sources : Bloomberg, KBVS Research (2026)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

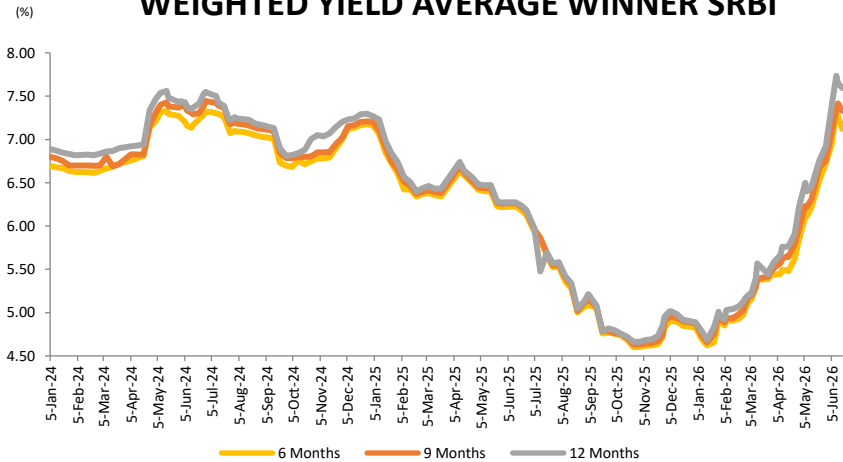
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

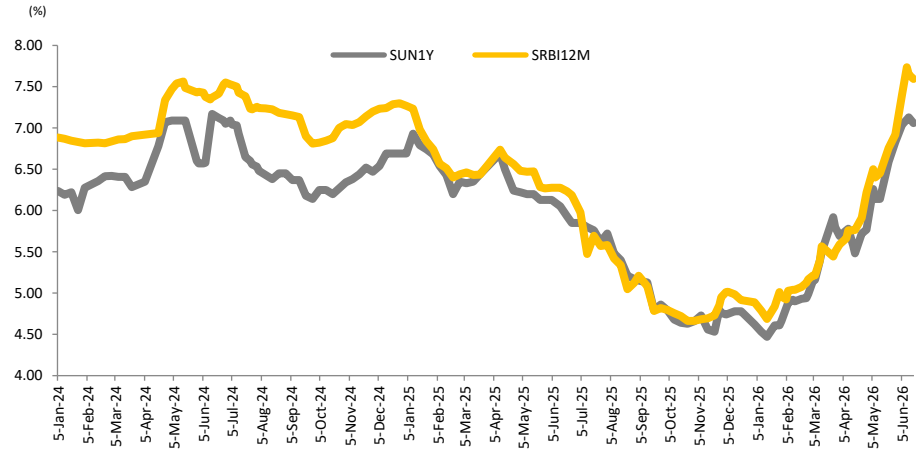
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



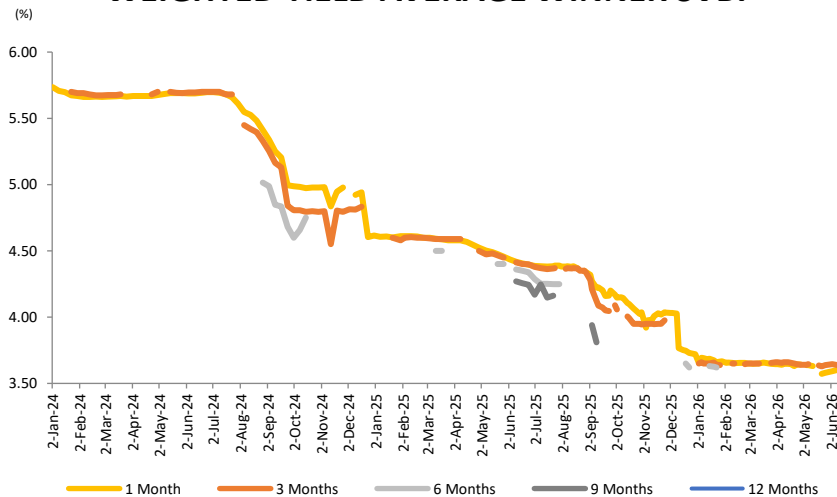
Sources : BI, KBVS Research (2026)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2026)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2026)

- The SRBI Weighted Average Yield of Winning Bids can be seen in the table below.

Yield (%)	12 Jun'26	17 Jun '26
6 Month	7.26929%	7.12000%
9 Month	7.41450%	7.33000%
12 Month	7.64810%	7.59219%

- Meanwhile, the latest SUVBI auction saw the profit sharing rate was at:
 - 1 month: 3.602%
 - 3 month: 3.639%
 - 6 month: 3.723%
 - 9 month: 3.813%
 - 12 month: 3.850%



TABLE OF CONTENTS :

3 Global Economy

9 Domestic Economy

16 Economic Calendar

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(18-24 JUN 2026)

Country	Event	Forecast	Previous
Thursday, Jun 18, 2026			
GB	Unemployment Rate (Apr)	5,00%	5,00%
GB	Employment Change 3M/3M (MoM) (Apr)		148K
GB	Claimant Count Change (May)	25.8K	26.5K
GB	Average Earnings Index + Bonus (Apr)	4,00%	4,10%
GE	Buba President Nagel Speaks		
ID	Interest Rate Decision		5,50%
ID	Lending Facility Rate (Jun)		6,00%
ID	Deposit Facility Rate (Jun)		4,50%
ID	Loans (YoY) (May)		9,98%
EU	ECB's Elderson Speaks		
GB	BoE Interest rate Decision (Jun)	3,75%	3,75%
GB	BoE MPC Vote Unchanged (Jun)	8,00	8,00
GB	BoE MPC Vote Cut (Jun)	0,00	0,00
GB	BoE MPC Vote Hike (Jun)	1,00	1,00
GB	BoE MPC Meeting Minutes		
EU	ECB's Lane Speaks		
US	Philly Fed Manufacturing Index (Jun)	11,40	-0,40
US	Philly Fed Employment (Jun)		-2,80
US	Initial Jobless Claims	225K	229K
US	Continuing Jobless Claims		1,795K
US	Leading Index (MoM) (May)	0,10%	0,10%

Country	Event	Forecast	Previous
Friday, Jun 19, 2026			
US	Baker Hughes Oil Rig Count		433,00
US	Baker Hughes Total Rig Count		562,00
US	TIC Net Long-Term Transactions (Apr)	72.50B	81.30B
US	Fed's Balance Sheet		6,725B
JP	National Core CPI (YoY) (May)	1,40%	1,40%
JP	National CPI (MoM) (May)		0,10%
JP	Monetary Policy Meeting Minutes		
GE	PPI (MoM) (May)	0,80%	1,20%
GB	Retail Sales (YoY) (May)		0,00%
GB	Retail Sales (MoM) (May)	0,50%	-1,30%
GB	Core Retail Sales (YoY) (May)		1,10%
GB	Core Retail Sales (MoM) (May)		-0,40%
EU	ECB's Lane Speaks		
EU	ECB's Elderson Speaks		

Country	Event	Forecast	Previous
Monday, Jun 22, 2026			
CN	Loan Prime rate 5Y (Jun)		3,50%
CN	PBoC Loan Prime Rate		3,00%
Tuesday, Jun 23, 2026			
JP	S&P Global Services PMI (Jun)		50,00
ID	M2 Money Supply (YoY) (May)		9,20%
GE	HCOB Manufacturing PMI (Jun)		50,10
GE	HCOB Services PMI (Jun)		48,10
EU	HCOB Services PMI (Jun)		47,70
EU	HCOB Manufacturing PMI (Jun)		51,60
EU	HCOB Composite PMI (Jun)		48,50
GB	S&P Global Services PMI (Jun)		49,30
GB	S&P Global Manufacturing PMI (Jun)		53,90
GB	S&P Global Composite PMI (Jun)		49,70
US	S&P Global Services PMI (Jun)		50,70
US	S&P Global Manufacturing PMI (Jun)		55,10
US	S&P Global Composite PMI (Jun)		51,50
Wednesday, Jun 24, 2026			
GE	Business Expectations (Jun)		83,80
GE	Current Assessment (Jun)		86,10
GE	Ifo Business Climate Index (Jun)		84,90
US	Current Account (Q1)		-190.70B
US	New Home Sales (May)		622K
US	New Home Sales (MoM) (May)		-6,20%

